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OGC Has Reviewed

MEMORANDUM FOR: Colonel White

4 November 1953

SUBJECT : Reimbursement for Naval Officers (in JOT Program) while
Undergoing Training in the Navy

1. Attached are basic papers on the above subject including Personnel's memorandum to you of 26 October 1953, requesting guidance on the question of reimbursement for military JOTs. [] prepare a summary of the history of the JOT program as negotiated between CIA and Defense. 25X1A9A

25X1A9A

2. [] concludes by recommending in view of the high level at which the initial agreements took place that the question of reimbursement for JOT be taken up by the DD/A or the DDCI with appropriate Defense officials. Bob left all of the papers with me to get your reaction as to whether there is anything else the Comptroller can do.

3. With respect to the basic issue of reimbursement, the previous Agency position had been that the JOT program was mutually beneficial to Defense and CIA and that any reimbursement by CIA would come only under the general agreement relating to military officers detailed to CIA for duty. [] sees no reason to change this general principle. 25X1A9A

4. There seems to be two lines of approach to Defense on the question:

a. Argue that reimbursement for JOTs while not training with the military is inconsistent with the over-all agreement between Defense and CIA, and;

b. Argue that the JOT program itself did not contemplate this type of reimbursement. 25X1A9A

It would seem that if we take alternative a. that [] would probably be the appropriate person, while if we take alternative b. the appropriate official would be [] In view of the stormy background of the JOT Program, I would recommend that you have an initial discussion with [] and probably it can only be resolved by the DCI. 25X1A9A

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JOHN S. WARNER

JSW:djm
1 - DD/A Chrono.

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28 October 1953

MEMORANDUM FOR: Colonel White

1. The attached material has its origin in a recent memorandum from the Navy Department. This memorandum states that the Navy will begin to bill the CIA for reimbursement of those CIA Junior Officer Trainees who are placed on active Naval service for a three-year period (following a four months' OCS course) prior to returning to CIA service as civilians in a Naval Reserve capacity. Briefly, the Navy memo wants the CIA to start reimbursement at the time that the individual completes Officer Training School. As the program now stands, the man who successfully completes OCS training and thereupon receives his commission has one year of fleet service and then finishes the remaining two years' active service through detail to CIA.

2. Matt Baird feels quite strongly that CIA should not affect reimbursement for time spent by JOT's in participating in these training and service programs prior to reporting to CIA on detail from the Navy. It is his feeling that the Agency should stand firm on this point and should negotiate only at the Defense Department level since he believes that the same question will be raised by the Army and Air Force. Matt says that he recalls quite clearly that at the time (Fall 1952) discussions were held with the Defense Department on the question of reimbursing that Department for officers assigned or detailed to CIA, General Smith explicitly made it known that the JOT category should be excluded from the memorandum of understanding. Matt feels that if the Agency is not successful in keeping the JOT group outside the reimbursement category, then the Agency should abandon this particular program. Since there is no assurance that JOT's who participate in this program will want to stay with CIA on a career basis, it is his feeling that we cannot afford to consent to a reimbursement procedure.

3. At present, we have nine JOT's on duty with the Navy under this program. The Navy asks that reimbursement begin retroactively to 1 July 1953 for those officers who were already commissioned as of that date and the date of individual commissioning after 1 July 1953 for the others.

4. I am attaching a copy of both the memorandum of understanding and the Agency's announcement of the JOT - Military Service Training Program.

5. Recommend that [] be asked to negotiate with the Defense Department along the lines proposed by Matt Baird.

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DCK:ros

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